

Housing Authority - County of Los Angeles

January 16, 2009

To: Each Supervisor

From: Corde Carrillo, Acting Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007 your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). On June 17, 2008, your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between December 15, 2008 and January 14, 2009, and provides information on the following:

- Lease-up
- Annual Reexaminations
- Inspections
- HUD OIG Audit Report on Tenant Eligibility and Annual Reexaminations
- HUD OIG Audit on Financial Systems
- Corrective Action Plan for FYE 2006
- Corrective Action Plan for FYE 2007
- Performance Results for FYE 2008
- Los Angeles Housing Resource Center
- Call Center
- HUD - VASH Vouchers

Lease-up, Annual Reexaminations and Inspections

Our voucher allocation is 20,876 and we are currently leased up at a rate of 97.4%. We are at a 4% delinquency rate for our inspections, and are at an 11% delinquency rate for our annual reexaminations that are 14 months or more overdue. The delinquency rates are being addressed by assigning additional staff to this function, who continue to make progress on reducing HACoLA's delinquencies.

HACoLA's data is pulled from HUD's data reporting system, the Public and Indian Housing Information Center (PIC), which is used to obtain SEMAP performance status.

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations

As previously reported, HUD notified HACoLA in a letter dated October 23, 2008 that a management decision had been made pertaining to Recommendation 1M in the above-cited

Audit. The recommendation required HACoLA to reimburse HUD 10% (\$3,662,972) of our administrative fee for fiscal years 2005 and 2006 for not adequately administering our Section 8 program.

The notice goes on to explain that after further review, HUD has agreed to reduce the above amount to \$1 million. This amount was to be paid to HUD by November 30, 2008.

On November 19, 2008, HACoLA submitted a response letter to HUD requesting reconsideration of the decision and allowing HACoLA to reinvest this amount back into the program, minimizing the harm of this sanction to low-income families.

As previously reported, HUD responded to our request in a letter dated December 8, 2008. After careful consideration by HUD, HACoLA's request has been denied due to HUD's reduction of the original amount, reflecting concerns HUD had previously raised. HACoLA will be required to reimburse HUD the stated amount from our administrative fees for fiscal years 2005 and 2006 for not adequately administering our Section 8 program.

HACoLA is currently negotiating a payment plan; I will keep your Board informed as it becomes finalized.

HUD OIG Financial Audit

The HUD financial audit to determine whether Section 8 funds were spent in accordance with HUD rules and regulations began the week of January 5; it is expected to last approximately 6 months.

I will keep you periodically informed of the progress made and any recommended actions.

Corrective Action Plan (CAP) for FYE 2006

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan for FYE 2006. As I previously reported, HUD has closed all other items of this CAP.

Corrective Action Plan (CAP) for FYE 2007

As previously reported, based on the results of HUD's onsite confirmatory review there was a reduction of SEMAP points for specific indicators, which resulted in a Troubled rating for fiscal year ending June 30, 2007. As a result, HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008.

The first submittal of the CAP is due January 20, 2009, with subsequent submittals due the 15th of every month. We expect all items for the CAP to be closed by June 2009.

Performance Results for FYE 2008

HUD has confirmed that their on-site confirmatory review for FYE 2008 will be conducted the week of January 26, 2009. HACoLA expects a SEMAP score of 108 points for FYE 2008. This is 21 points above the minimum required (87 points) for a standard rating.

Los Angeles Housing Resource Center (formerly Socialserve.com)

For a 28-day period between December 13 and January 10, 2008, the Los Angeles Housing Resource Center averaged 7,014 total listings; there were 4,513 participating landlords, and 104,313 housing searches conducted.

Call Center

Our call center averaged a weekly total of 2,034 calls, with an overall total for the period between December 16, 2008 and January 13, 2009 of 8,134 calls. The average hold time was 2 minutes, 17 seconds.

HUD-VASH Vouchers

While we continue to work with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers respectively, our status remains unchanged from last month's progress report.

Please contact me should you have any questions or need additional information.

CDC:ML

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy